

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

CIVIL ACTION NO. 05-10995-RCL

ALTAGRACIA J. PEGUERO,
Plaintiff,

v.

AMERICAN EXPRESS COMPANY,
THE SKLOVER GROUP, INC.
and FEDERAL INSURANCE
COMPANY,
Defendants.

AFFIDAVIT OF
ALTAGRACIA J. PEGUERO

I, Altagracia J. Peguero, having been duly sworn,
hereby state and depose as follows:

1. My name is Altagracia J. Peguero. I am 43 years old (d.o.b. 6/20/61). I live at 1 Shandon Road, Apartment 215, Dorchester, Massachusetts with my two sons, Jonathan and Jeffrey. Jonathan is 16 years old; Jeffrey is 11 years old. Both are dependant solely on me and my income.
2. I am a native of the Dominican Republic. There I was a licensed and practicing dentist. Hoping to build a better future, I decided to move with my sons to America. When I first arrived, I was only able to find janitorial work which I did for several years. Eventually, I was able to find a job working as a

dental assistant. In 2002, I was working six days a week as a dental assistant, and earned \$35,275.00

3. As a single mother, and the sole supporter of my two sons, I was concerned about what would happen if I became disabled. I knew that without my income we would be in a desperate financial situation. Sometime, I believe it was more than a year prior to the day I lost my right, dominant arm in a car accident (December 25, 2002), I received a solicitation from American Express, with whom I had a charge card, regarding disability insurance. The solicitation led me to believe that if I paid \$12.95 per month I would be paid a lump sum of \$1.5 million dollars if I were to become totally disabled. Nowhere on the solicitation was there any disclosure of the extraordinarily limited definition of disability contained in the policy. I filled out a form indicating that I wanted to purchase the disability insurance and returned it to American Express.
4. Thereafter, American Express charged me \$12.95 each month for the insurance. I never received from American Express either a copy of the policy or of a

- summary of the policy until after my attorney filed a claim on my behalf after I was injured.
5. I know I never received the policy or a summary of the policy because I am the only person with a key to my mailbox in my apartment building. I am very careful with my important papers and if I had received the policy or a summary of it, I would have immediately created a file for it. I have no such file and no memory of ever receiving the policy or a summary of the policy.
 6. Because I never received a copy of the policy or a summary of the policy, I had no idea that the definition of total disability was so restricted. I would not have paid \$12.95 a month, or any amount, had I been aware that I would not be considered disabled unless I lost 1) use of one hand and one foot; 2) the use of both hands or both feet; 3) sight in both my eyes; 4) hearing in both ears, or 5) my ability to speak. I do not think anyone aware of these restrictions would purchase the policy. I certainly would not have.
 7. Because I never received a copy of the policy or a summary of it, I also never knew that it contained a

clause taking away my rights to pursue any claims I might have against Federal Insurance in a court of law.

8. Because I thought I had purchased disability insurance that would protect me if I became unable to work, I did not purchase other insurance that would protect my family in the event I did become disabled.
9. On December 25, 2002, I lost my right arm, above my elbow, in a car accident. After I was injured, I initially was somewhat consoled that I had protected myself with disability insurance. When my attorney told me that the insurer would pay only \$500 for the loss of my arm, even though I could not work, I was stunned. I couldn't believe it. I felt that I had been tricked and cheated.
10. I have lived with great pain, physical and emotional, since the accident. I have not been able to work in any capacity since the accident. I was right handed and it is very difficult for me to do the things I used to do with my right hand. I have undergone three surgeries, the most recent was on April 13, 2005. At times I have been so depressed that I spent all my time in bed, often crying for most of the day.

11. The loss of my arm has been financially ruinous. I have been unable to earn any income. Social Security has deemed me totally disabled and I receive social security disability benefits in the amount of \$600 per month. I also receive \$490 in welfare benefits for my children each month. I have no other income and it is nearly impossible for me to house, feed, and clothe myself and my sons on this amount of money. I understand that I am going to receive approximately \$30,000 of a \$50,000 settlement with The Sklover Group Inc., in this case, but I cannot afford to use that money to pursue arbitration. I need the money to pay my daily living expenses.
12. I cannot afford to spend thousands of dollars for arbitration. Such costs would be an extreme hardship for me given my present financial condition and my inability to work and earn income.

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY, this
17th day of June, 2005.

CERTIFICATE OF SERVICE

I hereby certify that on this day a true copy of the above document was served upon the attorney of record for each party by mail / by hand.

Date: 6/21/05 1582

Altagracia J. Peguero
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